

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 9/13/2016	(3) CONTACT/PHONE Teresa Andrews-Hurliman 781-5038	
(4) SUBJECT Submittal of a resolution approving FY 2016-17 Final Budget Actions. All Districts.			
(5) RECOMMENDED ACTION It is recommended that your Board approve, by 4/5 vote, the attached resolution which: Adopts final appropriations, reserves, designations and contingencies for the 2016-2017 fiscal year pursuant to direction given in Board Resolution No. 2016-167 relative to the determination of the June 30, 2016 final fund balances			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: <u> 9/15/2015 </u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb
Auditor - Controller - Treasurer - Tax Collector
781-5831

DATE: 9/13/2016

SUBJECT: Submittal of a resolution approving FY 2016-17 Final Budget Actions. All Districts.

RECOMMENDATION

It is recommended that your Board approve, by 4/5 vote, the attached resolution which:

Adopts final appropriations, reserves, designations and contingencies for the FY 2016-2017 fiscal year pursuant to direction given in Board Resolution No. 2016-167 relative to the determination of the June 30, 2016 final fund balances.

DISCUSSION

Fund Balance Available is affected by increases to budgeted expenditures and revenue, increases and decreases in encumbrances, repayment of internal financing loans, adjustments for receivables not guaranteed to be collected and actual expenditures and revenues.

General Fund: Fund Balance Available (FBA)

Estimated Fund Balance Available (FBA) of \$34.4 million was used to provide funding for the 2016-2017 fiscal year budget. However, final actual FBA exceeded estimates by a total of \$5.6 million. The net increase included \$6.8 million from operations, adjusting receivables by \$(.6) million, and internal financing receivables by \$(.6) million.

Recommendation for excess Fund Balance Available:

Recommended uses for additional FBA are intended to be one-time and not a commitment to ongoing, additional allocations due to the one-time nature of the additional FBA.

The \$5.6 million difference is recommended to be added to designations, contingencies and appropriations as

follows:

General Fund:	Increase General Reserve	2,000,000
General Fund:	Appropriation for County Counsel Professional Services	500,000
General Fund:	Appropriation for Contingencies	1,092,091
General Gov't Replacement:	Designated Fund Balance-Building Replacement	<u>1,979,507</u>
Total Adjustments:		<u>5,571,598</u>

Also see the memo attached from the Administrative Office for additional details on the recommendations.

General Fund Contingencies:

General Fund Contingencies ended the year at \$20.8 million or approximately \$.9 million lower than estimated.

Differences in estimated and actual Fund Balance Available

The list below highlights the main differences between estimated FBA and actual ending FBA. The comparison between budget and actual will be presented to the Board in the year-end report scheduled for September 13, 2016.

Differences in estimated and actual FBA:

Expenditure Savings	\$24.1
Contingencies	(.9)
Non-Departmental Revenue	2.5
Departmental Revenue Shortfall	(18.6)
Designation-Solar Sales Tax	(.3)
Reserve-Internal Financing	(.6)
Adjustment for Receivables	(.6)
Differences between Estimated and Actual	<u>\$5.6</u>

Non-Departmental revenue:

Non-Departmental revenue: was estimated to be \$178.0 million – actual Non-Departmental revenue was \$180.5 million. This schedule details what was estimated from what was realized. (Actual Non-Departmental revenue was approximately \$11.3 million greater than budget). The increase in Property Tax reflects the recovery of property values. Each 1% of delinquencies equals approximately \$1 million in general fund revenue. For details of major revenue accounts in Non-Departmental revenue see chart below.

Non-Departmental Revenues

	Estimated	Actuals	Difference
Property Taxes - Secured	100,451,800	100,875,725	423,925
Property Taxes - Unitary	8,169,650	8,202,104	32,454
Supplemental Current Secured	1,800,000	2,477,098	677,098
Other Current Property Tax	1,267,397	1,581,243	313,846
Non-Current Property Tax	1,625,949	1,852,515	226,566
Sales and Use Taxes	9,224,182	9,575,235	351,053
Property Transfer Tax	2,500,000	2,655,060	155,060
Transient Occupancy Tax	9,160,000	9,248,691	88,691
Property Tax in Lieu of Sales Tax and VLF Tax	33,215,435	33,272,773	57,338
Interest Revenue	2,939,892	2,831,056	(108,836)

Franchise Fees	3,240,500	3,277,105	36,605
Supplemental Roll 5% Admin Fee	500,000	663,610	163,610
Federal Aid in Lieu-BLM	1,100,000	1,212,850	112,850
Other Revenue	2,810,873	2,741,356	(69,517)
Total Non-Departmental Revenue	178,005,678	180,466,421	2,460,743

OTHER AGENCY INVOLVEMENT/IMPACT

The Auditor-Controller-Treasurer-Tax Collector's Office and the Administrative Office have coordinated changes in contingencies, designations/reserves or appropriations with affected departments.

FINANCIAL CONSIDERATIONS

The final budget document reflects balanced financing sources and requirements of approximately \$588 million.

RESULTS

Intended results are to meet County Budget Act requirements for filing the San Luis Obispo County final budget with the State Controller's Office no later than December 1, 2016.

ATTACHMENTS

1. Administrative Office Memo
2. Fiscal Year 2016-2017 Final Budget Resolution
3. Exhibit 1-Proposed versus Actual Fund Balance Available
4. Exhibit 2-Reserves, Designations, and Contingencies for Fiscal Year 2016-2017